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April 24, 1964

MEMORANDUM

TO: Boston Redevelopment Authority

FROM: Edward J. Logue

SUBJECT: CASTLE SQUARE - REVISED LETTER OF INTENT FOR PARCEL 1

On February 7th, the Authority approved City Redevelopment Corporation as developer of Parcel 1 (the residential area) in Castle Square, and authorized execution of a Letter of Intent with the developer, subject to public disclosure and HHFA concurrence. Since that time, as a result of further negotiations with the developers, FHA and the Boston Housing Authority, the Letter of Intent has been revised in the following respects:

1. The rents have been changed to a schedule which ranges from \$88 for one-bedroom units to \$132 for four-bedroom, 2 bath units. This change resulted from review by FHA and BRA staff of the developer's cost figures which indicated that construction costs would be substantially higher than originally estimated.

2. The revised Letter of Intent describes in detail the security arrangement by which the developers will guarantee these rent levels for a period of four years, subject to FHA modifications, by a deposit of \$100,000.

3. The revised Letter provides for arrangements between the developer and the Boston Housing Authority with respect to the 100 units of Housing for the Elderly which will be built in conjunction with the private 221 (d)(3) units.

4. The revised Letter of Intent provides for construction to commence on or before October 1, 1964, and for all construction to be completed by June 30, 1966.

A copy of the revised Letter of Intent, together with an appropriate vote, is attached.

RESOLUTION APPROVING REVISED LETTER OF INTENT FOR THE
DISPOSITION OF PARCEL 1 IN THE CASTLE SQUARE SECTION OF
THE SOUTH END PROJECT AREA

WHEREAS, on February 7, 1964, the Authority approved a Letter of Intent to be executed by and between City Redevelopment Corporation and the Boston Redevelopment Authority for the disposition of Parcel 1 in the Castle Square area for the construction of middle-income housing under Section 221(d)(3) of the National Housing Act as amended; and

WHEREAS, further negotiations with the developers, with the Federal Housing Administration, and with the Boston Housing Authority have made it necessary that said Letter of Intent be revised in several respects; and

WHEREAS, the said Letter of Intent as so revised has been presented to this meeting of the Authority.

NOW, THEREFORE, BE IT RESOLVED BY THE BOSTON REDEVELOPMENT AUTHORITY

That the revised Letter of Intent for Parcel 1 of the Castle Square Area is hereby approved, and the Development Administrator is hereby authorized to execute said Letter of Intent on behalf of the Authority substantially in the form presented to this meeting, subject to receipt from HHFA of its concurrence in the proposed purchase price, and subject to prior public disclosure as required by Title I of the Housing Act of 1949, as amended.



BERTRAM A. DRUKER
President

CITY REDEVELOPMENT CORPORATION

JOHN DRUKER & SON, Managing Agents

SUITE 600 — 50 STATE STREET
BOSTON 9, MASSACHUSETTS
LAFAYETTE 3-8060

April 23, 1964

Boston Redevelopment Authority
City Hall Annex
Boston, Massachusetts

Subject: Letter of Intent to Proceed
South End Urban Renewal Project-Castle Square Area
Disposition Parcel 1

Gentlemen:

City Redevelopment Corporation (hereinafter called the "Redevelopers") hereby submit this Letter of Intent in connection with their proposal to develop the above-named parcel in the Castle Square area, shown on the map attached hereto as Exhibit A.

If selected by the Boston Redevelopment Authority as developer for this parcel, the Redevelopers hereby agree to accomplish the following:

1. We agree to build approximately 500 relocation housing units on Parcel 1 substantially in accordance with the Site Plan and prototype plans for said Parcels prepared by Samuel Glazer Associates dated February 5, 1964 and attached hereto as Exhibit B. We will utilize Samuel Glazer Associates as our architect. All construction shall conform to the Land Use Provisions and Building and Other Requirements attached as Exhibit D dated January 31, 1964.

2. We will secure our funds under the so-called 221 (d) (3) program of the Federal government.

3. We intend to offer the following or a lower rental schedule for dwelling units, including an allowance for heat and hot water:

Low Rise Apartments

2 BR units-	117	\$ 97.00
3 BR units-	122	107.00
4 BR units-	20	117.00
4 BR units-	50	132.00

High Rise Apartments

1 BR units-	90	\$ 98.00
1 BR units-	54	88.00
2 BR units-	30	108.00
2 BR units-	18	98.00

We agree to guarantee maintenance of these rentals for a period of four years from date of first occupancy, by a surety bond or other security in form satisfactory to the Authority, in an amount not to exceed \$100,000.00 as provided in paragraph 12 hereof; said bond is more particularly described hereafter in paragraph 12 and shall be delivered to the Authority at the time of the initial closing with FHA.

Related retail commercial space to service the residential occupants as well as a parking garage shall be provided to the extent approved by FHA for inclusion in the 221 (d) (3) mortgage.

4. We agree to pay a price of \$0.15 per square foot for the approximately 400,700 square feet contained in the aforesaid Parcel 1, which price is subject to the concurrence of HHFA.

5. Upon acceptance by the Authority of this Letter of Intent we shall proceed immediately and diligently to take the necessary steps to apply for FHA mortgage insurance under Section 221 (d) (3) through the medium of a wholly-owned subsidiary corporation which will be a so-called limited-divided corporation.

6. We intend to adhere to the following schedule:

- a. We shall submit final working drawings and specifications to the Authority within 90 days after issuance by the FHA of its commitment under Section 221 (d) (3).
- b. We shall commence general construction on the Parcel on or before October 1, 1964, provided that the site is cleared, rough-graded, and transferred to us at least 15 days before date of start of construction, and provided FHA mortgage commitment has seasonably issued.

7. We will grant preference in the leasing of space in the buildings to be constructed to families displaced from the Castle Square area, from the rest of the South End Project area, from the New York Streets Project area, and from other Urban Renewal Project areas, or as a result of other governmental action in the City of Boston, in that order. We agree that Boston Housing Authority shall be given the option of selecting tenants for ten per cent of the residential units, all of which shall be of 3 or 4 bedroom size, to

be utilized under the rent supplementation program.

With respect to commercial space to be constructed, we will grant preference in the leasing of such space to former commercial occupants of the Castle Square area to the maximum extent practicable.

8. Upon acceptance by you of this Letter of Intent, we will promptly deliver to you a good faith deposit in the amount of \$3,000, representing 5% of the purchase price of the Parcel, in cash or other form acceptable to the Authority. This deposit shall be forfeited if we fail to execute the Land Disposition Agreement in accordance with Paragraph 9 below within 20 days or within such extended time as may be mutually agreed upon following dispatch of written notice by the Authority that the provisions of such an Agreement and the disposition to us have been approved by all required Federal, State, and City officials. The deposit shall be held as security for the performance of our obligations under this Letter and under the Land Disposition Agreement when executed, and shall be disposed of in accordance with the terms of that Agreement. The deposit shall be returned upon our request, and all obligations under this Letter cancelled (a) if the price for the parcel as concurred in by HHFA is more than 5% greater than the price set forth above, or (b) if within 60 days from the date of this Letter we are unable despite our diligent efforts to obtain the necessary FHA commitments for the construction of at least 500 units of housing under the 221 (d) (3) program. Interest on the deposit, if any, shall be our property, but the Authority shall not be under any obligation to invest or reinvest any deposit.

9. We agree to execute a Land Disposition Agreement substantially in the form of the draft submitted to the Authority October 3, 1963 with such changes as may be necessary to make it consistent with this Letter of Intent, as may be required by the FHA, or as we may mutually agree upon.

10. We will cooperate with the staff of the Authority with respect to the architectural elements of the buildings to be constructed, in order that the development may conform fully to the objectives of the Authority as set forth in the attached Exhibit D. We understand that the Authority has an interest in seeing that buildings to be constructed are of attractive appearance and sturdy quality, and that our submission of drawings and specifications will be reviewed by the Authority for design values and quality of construction.

11. It is further understood that if, within ninety days after the initial FHA closing on Parcel 1, the Redevelopers submit an acceptable proposal for the purchase and development of Parcel 3, the Authority shall thereupon designate the Redevelopers as the developers of said Parcel 3, subject to public

disclosure, HHFA concurrence, and the execution of a mutually satisfactory Land Disposition Agreement. An acceptable proposal, as used herein, shall (1) conform to the Land Use Provisions and Building and Other Requirements attached hereto as Exhibit D; (2) include such financial information as may be sufficient to inform the Authority as to the general nature of the development to be built and the feasibility thereof; (3) include the Redevelopers' specific undertaking promptly to commence construction of the improvements on a portion of Parcel 3 and to complete the same in a reasonable time and commence and complete improvements on the balance thereof within a reasonable time thereafter; and (4) include such site plans, elevations and renderings as shall assure the Authority of the high architectural character of the improvements proposed to be constructed on the first portion of Parcel 3.

12. The Redevelopers will furnish the Authority with additional security in the amount of \$100,000.00 to guarantee that the construction of the improvements on Parcel 1 as aforesaid will be completed by June 30, 1966, and further to guarantee that for a four-year period commencing upon the first occupancy of the residential units to be constructed hereunder the rents for such units will not be increased beyond the rentals shown in Paragraph 3 hereof in accordance with the following provisions. If the form of security is bonds or savings accounts or other interest bearing security, the Redevelopers shall be entitled to the interest thereon during the time that the security is held pursuant to this agreement, except that upon application of the security or part thereof pursuant to a. or c. below, no interest shall be due to the Redeveloper on such amount that is so applied from the date it is so applied.

- a. For each residential unit uncompleted as of June 30, 1966 (which date shall be subject to extension in accordance with provisions relating to excusable delays set forth in Section 915 of the Land Disposition Agreement), the Authority may draw from such security the sum of \$20.00 per unit for each month that such unit is uncompleted until such time as said unit is completed and ready for occupancy.
- b. Upon the completion of the improvements on Parcel 1 as aforesaid and the issuance of a certificate by the Authority to that effect and provided the Redevelopers

charge initial rents at the rates set forth in Paragraph 3 above, the Authority shall return to the Redevelopers such part of the deposit as, together with any payments made pursuant to Paragraph 12 a. above equals one-half of the security originally held, and shall continue to maintain the balance thereof on the following terms.

- c. For the four-year period commencing with the occupancy of the first residential unit the proceeds of said security may be used by the Authority to subsidize monthly rentals at an amount which represents rental increases over and above the monthly rentals set forth in Paragraph 3 hereof; provided, however, upon application by the Redevelopers to, and upon approval by, FHA, Redevelopers shall be entitled to increase monthly rentals over those set forth in Paragraph 3 above, provided that such increases are required in order to maintain the net return to the investors in the Redevelopers of 6% on their investment as permitted by the regulatory agreement between the FHA and the Redevelopers. Copies of all applications for such increases (and correspondence and data relating thereto) to the FHA shall be simultaneously filed with the Authority.
- d. At the end of said four-year period, the security heretofore held (reduced by any payments made pursuant to Paragraph 12 c. above) shall be returned to the Redevelopers.

13. It is the present intent of the parties that that area shown as Parcel 2 on Exhibit A shall be incorporated into the area to be redeveloped by the Redevelopers as follows:

- a. The Authority will convey the fee to said Parcel to the Boston Housing Authority (herein called Housing).
- b. Housing will grant to the Redevelopers easements for public travel over the entire land area of Parcel 2, except areas used by foundation columns and entrance areas for the public housing development as shown on Exhibit B.

- c. The Redevelopers will agree to pay for and be responsible for lighting and maintenance of the easement area as they relate to safety, appearance, and cleanliness (but in no event for structural repairs or work) and will agree to hold Housing harmless from claims arising from the use of said area by the public excepting claims caused by the negligence of Housing.
- d. On adjacent roofs of commercial buildings to be erected by the Redevelopers, the Redevelopers agree to erect and maintain gardens, walks, etc. for use by Housing's tenants as shall be recommended by Housing, provided the original cost of structural and other work to prepare said roofs for such use by Housing's tenants is borne by Housing, and an annual maintenance charge, which charge shall be equivalent to the total extra cost of maintenance of said roofs incurred by reason of its use for recreational purposes by Housing's tenants, shall be paid by Housing.

It is agreed that the parties will endeavor in good faith to obtain the necessary consents, permits, and approvals of FHA, PHA (Public Housing Administration) and all other governmental bodies having jurisdiction over any aspect of the aforesaid contemplated arrangement.

14. During the period of construction on Parcel 1, Redevelopers, their contractors, agents, and employees are to have rights of passage over and through the area shown on Exhibit A as Parcel 6. for construction purposes, including the right to store materials thereon, and for all purposes convenient for carrying on construction on Parcel 1.

If the foregoing meets with your approval, please indicate below and return an executed copy to us, whereupon this Letter shall constitute our selection as developer of Parcel 1 in accordance with the conditions set forth above.

Very truly yours,

City Redevelopment Corporation

Accepted:

Boston Redevelopment Authority

By: _____

By: _____
Development Administrator

Date: _____

disclosure, HHFA concurrence, and the execution of a mutually satisfactory Land Disposition Agreement. An acceptable proposal, as used herein, shall (1) conform to the Land Use Provisions and Building and Other Requirements attached hereto as Exhibit D; (2) include such financial information as may be sufficient to inform the Authority as to the general nature of the development to be built and the feasibility thereof; (3) include the Redevelopers' specific undertaking promptly to commence construction of the improvements on a portion of Parcel 3 and to complete the same in a reasonable time and commence and complete improvements on the balance thereof within a reasonable time thereafter; and (4) include such site plans, elevations and renderings as shall assure the Authority of the high architectural character of the improvements proposed to be constructed on the first portion of Parcel 3.

12. The Redevelopers will furnish the Authority with additional security in the amount of \$100,000.00 to guarantee that the construction of the improvements on Parcel 1 as aforesaid will be completed by *June 30, 1966*

and further to guarantee that for a four-year period commencing upon the first occupancy of the residential units to be constructed hereunder the rents for such units will not be increased beyond the rentals shown in Paragraph 3 hereof in accordance with the following provisions. If the form of security is bonds or savings accounts or other interest bearing security, the Redevelopers shall be entitled to the interest thereon during the time that the security is held pursuant to this agreement, except that upon approval of the security or part thereof pursuant to a. or c. below, No interest shall be due to the Redeveloper on such amount that as so applied for the date it is so applied.

- a. For each residential unit uncompleted as of *June 30, 1966* (which date shall be subject to extension in accordance with provisions relating to excusable delays set forth in Section 915 of the Land Disposition Agreement), the Authority may draw from such security the sum of \$20.00 per unit for each month that such unit is uncompleted until such time as said unit is completed and ready for occupancy.
- b. Upon the completion of the improvements on Parcel 1 as aforesaid and the issuance of a certificate by the Authority to that effect and provided the Redevelopers charge initial rents at the rates set forth in Paragraph 3 above, the Authority shall return to the Redevelopers such part of the deposit as, together with any payments made as pursuant to Paragraph 12 a. above equals one-half of the security originally held, and shall continue to maintain the balance thereof on the following terms.
- c. For the four-year period commencing with the occupancy

of the first residential unit the proceeds of said security may be used by the Authority to subsidize monthly rentals at an amount which represents rental increases over and above the monthly rentals set forth in Paragraph 3 hereof; provided, however, upon application by the Redevelopers and upon approval by FHA, Redevelopers shall be entitled to increase monthly rentals over those set forth in Paragraph 3 above, provided that such increases are required in order to maintain the net return to the investors in the Redevelopers of 6% on their investment as permitted by the regulatory agreement between the FHA and the Redevelopers. Copies of all applications for such increases (and correspondence and data relating thereto) to the FHA shall be simultaneously filed with the Authority.

- d. At the end of said four-year period, ^{the} security heretofore held (reduced by any payments made pursuant to Paragraph 12c. above) shall be returned to the Redevelopers.

13. It is the present intent of the parties that that area shown as Parcel 2 on Exhibit A shall be incorporated into the redevelopment area as follows:

- (a) The Authority will convey the fee to said Parcel to the Boston Housing Authority (herein called Housing); Housing will grant to Redevelopers easements for public travel over the entire land area of Parcel 2, except that foundation columns and entrance areas for two "towers" shall be permitted, one on the eastern and the other on the western ends of said parcel all substantially as shown on the plans, Exhibit B; Redevelopers will agree to pay for and be responsible for lighting and maintenance of the surface of the area of Parcel 2 as to safety, appearance, and cleanliness (but in no event for structural repairs or work) and will agree to hold Housing harmless from claims arising from the use of said area by the public excepting claims caused by the negligence of Housing; on adjacent roofs of buildings to be erected by Redevelopers, the Redevelopers agree to erect and maintain gardens, walks, etc. for use by Housing's tenants as shall be recommended by Housing, provided the original cost of structural and other work to prepare said roofs for such use by Housing's tenants is born by Housing and an annual maintenance charge, which charge shall be equivalent to the total extra cost of maintenance of said roofs incurred by reason of its use for recreational purposes by Housing's tenants, shall be paid by Housing.

It is agreed that the parties will endeavor in good faith to obtain the necessary consents, permits, and approvals of FHA, PHA (Public

Housing Administration) and all other governmental bodies having jurisdiction over any aspect of the aforesaid contemplated arrangement.

14. During the period of construction on Parcel 1, Redevelopers, their contractors, agents, and employees are to have rights of passage over and through the area shown ^{on Exhibit A} as Parcel 6. for construction purposes, including the right to store materials and ~~park vehicles~~ thereon, and for all purposes convenient for carrying on construction on Parcel 1.

If the foregoing meets with your approval, please indicate below and return an executed copy to us, whereupon this Letter shall constitute our selection as developer of Parcels 1 and 3 in accordance with the conditions set forth above.

Very truly yours,

Accepted:

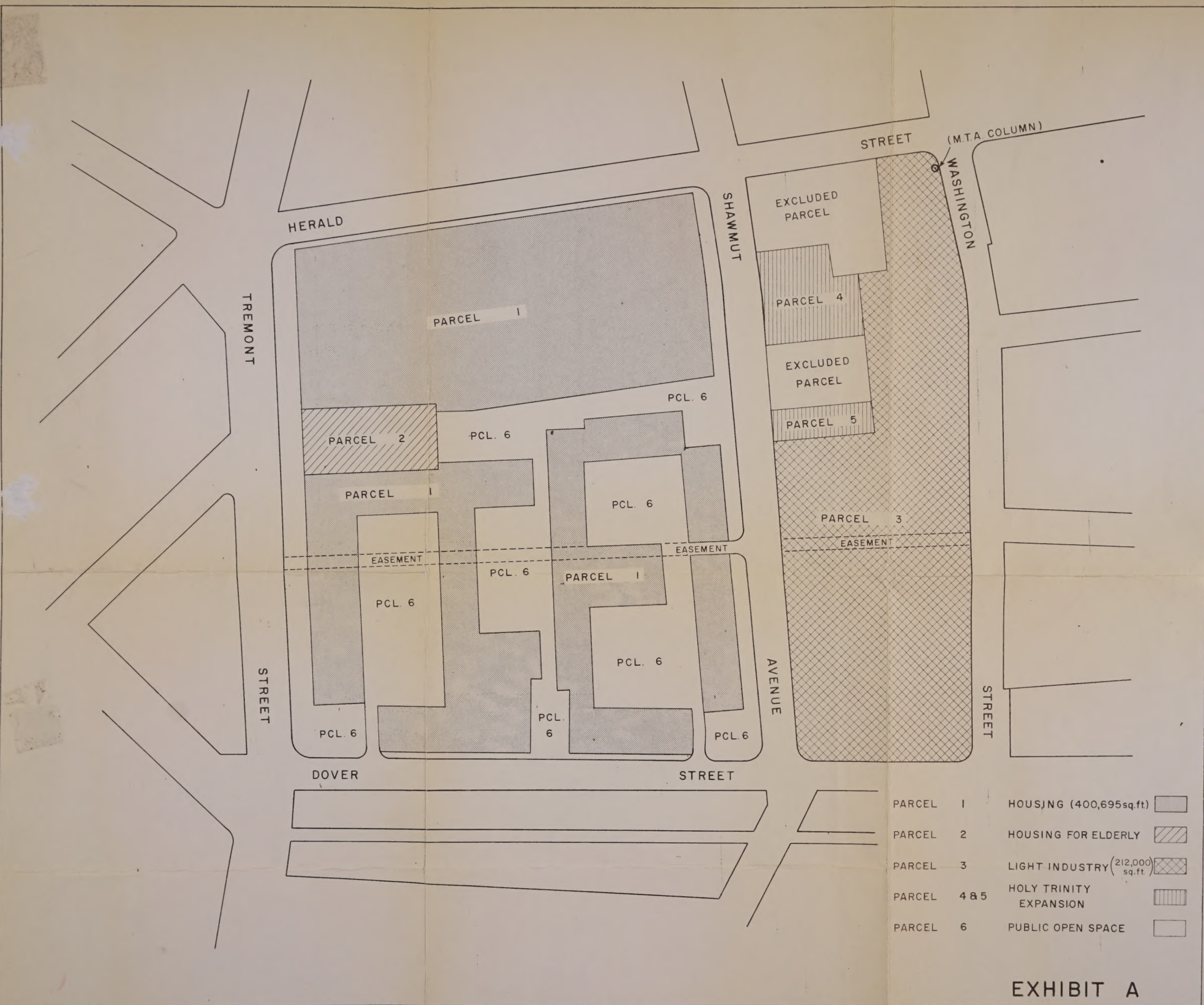
City Redevelopment Corporation

Boston Redevelopment Authority

By: _____

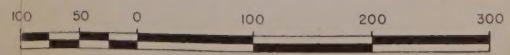
By: _____
Development Administrator

Date: _____



CASTLE SQUARE-DISPOSITION PLAN

SOUTH END URBAN RENEWAL AREA
BOSTON REDEVELOPMENT AUTHORITY



FEBRUARY 3, 1964

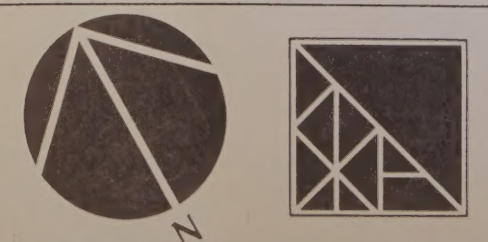


EXHIBIT A